

My conversation with Marketing and Redistribution:

I called David Justice with M&R to inquire about the process to go through of auctioning equipment at the Cedar Chemical Facility. For state owned equipment/supplies, it is required to go through M&R.

M&R is in the process of awarding a contract to a auctioning firm to handle all the big auctions for state owned property. They currently have an on-staff licensed auctioneer, but he is just learning the ropes and not equipped to contact a broad list of vendors, catalog and sell a lot of equipment/supplies.

So the best option for us would be to wait until mid November when they anticipate awarding the contract and using them for a live auction at the site. This would eliminate OSP from the picture (i.e. we would not have to submit a Request for Qualifications (RFQ) for contract services).

David said it would be a liability to sell the equipment if it has not been properly decontaminated. This is a liability issue.

The process would be as follows:

1. We would give the list of equipment that has already been produced to M&R
2. They would give it to they're newly appointed contractor (i.e. new auctioneer co.)
3. The 3 entities (ADEQ, M&R, auctioneer co.) would hold a pre-bid walkthrough at the site and catalog all equipment against what is included in the list. It would be noted if there are items missing from the list or if items were not included in the list.
4. After doing the inventory check, the 3 entities would sign off that we are all in agreement that all equipment/supplies are listed and ready for auction.
5. We would give this list to Tim Gibbs, who would then incorporate this list as an attachment to a Surplus Disposal Form (SDF). The SDF will then be submitted to M&R.
6. The auctioneer company will then public notice the event probably thru the AR Democrat Gazette. They will also have to check their database and research for any chemical companies that would be interested in bidding. It is in their best interest to find as many companies that are interested so they can get max \$\$.
7. The auction will be held on xx date. Items must be removed by xx date.
8. I think ABA will mark off items in the SDF as they are sold as a checklist.

But before any of this occurs, the equipment must be dismantled from the process units. We may have to go thru competitive bidding to have a contractor do this.

It is likely the site was purchased/acquired as a whole. Therefore there are no Asset no.'s for equipment.

Some other interesting things David said:

- The auctioneer will get a percentage of the sale.

- Tim keeps the inventory records of ADEQ equipment. I think this stuff has to be entered into AASIS and can be removed from AASIS after it is sold.
- The auctioneer will not catalog the equipment based on Asset no. Therefore, we must go through and make sure the SDF includes asset no.'s if the equipment has them. Otherwise, there would be no way to remove it from the AASIS database when it is sold because there is no evidence to show it was sold.
 - Since the Cedar site has no asset no.'s, this makes it a lot easier. We can just go by their list and not check to see if the equipment has an asset no.
- If the state purchased equipment at a cost over \$2,500.00, the equipment must have an asset no. Since we acquired the site for free (I think), we don't have to meet this requirement.
- The auctioneer will group inventory in to line items. They will not separate every nut and bolt for selling them individually.
- Awarding the contract to the auctioneer company is a new venture for M&R. Since the auctioneer co. will serve to provide live auctions, that means live auctions are new ground for M&R. David said this would be a good test for them.
- The Legislative Audit is a mechanism to ensure proper documentation that all equipment has been sold. This done when the state auditor comes to a auction and request paper work for a specific piece of equipment. When he ask about it, M&R has to tell them what the status of the equipment it (has it been sold?, if not-where is it?) The SDF submitted by ADEQ to M&R helps with the paper trail to allocate equipment.